



FEDERAL DEPOSIT INSURANCE CORPORATION

[OMB No. 3064-0028]

Agency Information Collection Activities: Proposed Collection Renewal; Comment Request

AGENCY: Federal Deposit Insurance Corporation (FDIC).

ACTION: Notice and request for comment.

SUMMARY: The FDIC, as part of its obligations under the Paperwork Reduction Act of 1995 (PRA), invites the general public and other Federal agencies to take this opportunity to comment on the renewal of the existing information collection described below (OMB Control No. 3064-0028).

DATES: Comments must be submitted on or before [INSERT DATE 60 DAYS FROM PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Interested parties are invited to submit written comments to the FDIC by any of the following methods:

- *https://www.FDIC.gov/regulations/laws/federal.*
- *Email: comments@fdic.gov.* Include the name and number of the collection in the subject line of the message.
- *Mail:* Manny Cabeza (202-898-3767), Regulatory Counsel, MB-3128, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.
- *Hand Delivery:* Comments may be hand-delivered to the guard station at the rear of the 17th Street building (located on F Street), on business days between 7:00 a.m. and 5:00 p.m.

All comments should refer to the relevant OMB control number. A copy of the comments may also be submitted to the OMB desk officer for the FDIC: Office of

Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Washington, DC 20503.

FOR FURTHER INFORMATION, CONTACT: Manny Cabeza, Regulatory Counsel, 202-898-3767, mcabeza@fdic.gov, MB-3128, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.

SUPPLEMENTARY INFORMATION:

Proposal to renew the following currently approved collection of information:

1. Title: Recordkeeping and Confirmation Requirements for Securities Transactions

OMB Number: 3064-0028.

Form Number: None.

Affected Public: FDIC-Insured Institutions and Certain Employees of the FDIC-Insured Institutions.

Burden Estimate:

Summary of Annual Burden						
Information Collection Description	Type of Burden	Obligation to Respond	Estimated Number of Respondents	Estimated Frequency of Responses	Estimated Time per Response	Estimated Annual Burden
Maintain Securities Trading Policies and Procedures	Recordkeeping	Mandatory	691	1	1 hour	691 hours
Officer/Employee Filing of Reports of Personal Securities Trading Transactions - 344.9 (assumes 5 officers/employees at each institution with income from securities broker activity)	Third-Party Disclosure	Mandatory	2,073	4	1 hour	8,292 hours

Total Estimated Annual Burden

8,983 hours

General Description of Collection: The collection of information requirements are contained in 12 CFR part 344. The purpose of the regulation is to ensure that purchasers of securities in transactions affected by insured state nonmember banks are provided with adequate records concerning the transactions. The regulation is also designed to ensure that insured state nonmember banks maintain adequate

records and controls with respect to the securities transactions they effect. Finally, this regulation requires officers and employees of FDIC-supervised institutions to report to the FDIC supervised institution certain personal securities trading activity.

Sections 344.4, 344.5, and 344.6 refer to reporting and third party disclosure burdens associated with confirmation of securities transactions. The FDIC assumes that banks automate notifications to customers of securities transactions, and would automate these notifications even if 12 CFR 344 were not in place. The automation includes the recordkeeping and disclosure of the confirmation of securities transactions. As such, FDIC believes that the activities associated with sections 344.4, 344.5, and 344.6 are all done in the ordinary course business, and do not represent PRA burden.

Potential respondents to this IC are all FDIC-supervised institutions that effect securities transactions for customers. Respondents include institutions that conduct securities transactions themselves or that conduct securities transactions through a broker/dealer. To estimate the annual number of respondents, FDIC referenced the number of FDIC-supervised institutions that reported exercising fiduciary powers as of the first quarter of 2021^[1], which is reported on item 2 of Call Report Schedule RC-T.

As of March 31, 2021, 691 FDIC-supervised institutions reported exercising fiduciary powers.^[2] These 691 entities are subject to the PRA requirements in 12 CFR 344.8. Thus, FDIC estimates 691 respondents to the line items corresponding to this section. In the previous renewal of this information collection, the FDIC

^[1] RIS variable TREXER

^[2] FDIC Call Report data, March 2021

estimated 680 respondents to this IC; this estimate was derived by counting the number of FDIC-supervised institutions with income from securities brokerage activity. The increase in the estimated number of respondents from 680 to 691 is a result of a change in estimation methodology due to a change in the call report reporting requirements.^[3]

The line item corresponding to 12 CFR 344.9 applies to officers and employees of FDIC-supervised institutions who “make investment recommendations or decisions for the accounts of customers; participate in the determination of such recommendations or decisions; or in connection with their duties, obtain information concerning which securities are being purchased or sold or recommend such action.”^[5] Excluded from this requirement are “transactions for the benefit of the officer or employee over which the officer or employee has no direct or indirect influence or control; transactions in registered investment company shares; transactions in government securities; and all transactions involving in the aggregate \$10,000 or less during the calendar quarter.”^[6] The FDIC does not currently have access to data on how many officers or employees are required to report trading activities in which they have a beneficial interest in accordance with Section 344.9. In the estimate for the previous ICR, it was assumed that five officers or employees per FDIC-supervised institution affected by this IC who would respond to this line item. Based on supervisory experience, FDIC believes that most of the smaller FDIC-supervised institutions do not have any personnel subject to Section 344.9.^[7] Accordingly, FDIC has reduced the assumed number of officers or employees per FDIC-supervised institution who would respond to this line item from five to three. FDIC therefore estimates 2,073

^[5] 12 CFR 344.9(a).

^[6] 12 CFR 344.9(b)

respondents per year to this line item. ^[8] This estimate constitutes a decrease of 1,327 in the estimated annual number of respondents to this IC.

Section 344.8 requires FDIC-supervised institutions to establish processes and procedures for assigning responsibility for supervising employees and officers who are involved with processing, documenting, and executing securities transactions for customers, and for ensuring equitable treatment of parties to a security transaction, and of customers who submit orders for the same security or securities at approximately the same time. Policies and procedures are generally reviewed and updated annually. FDIC therefore estimate one response per respondent to this line item as FDIC believes that institutions are more likely to update their policies and procedures annually rather than monthly. This estimate represents a decrease of 11 responses per respondent.

FDIC has also revised its estimate of the time required to respond to the requirements of Section 344.8 to one hour per response. This estimate represents an increase of 0.75 hours per response from the estimate included in the 2018 renewal and is based on the FDIC's experience with this information collection.

FDIC estimates one hour per response for the burden related to Section 344.9. This estimate represents a decrease of 0.5 hours per response from the estimate included in the 2018 renewal and is also based on the FDIC's experience with this information collection.

The total estimated annual burden for this information collection is 8,983 hours, which is a decrease of 56,297 hours from the estimate included in the previous renewal.

Request for Comment

Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the FDIC's functions, including whether the information has

practical utility; (b) the accuracy of the estimates of the burden of the information collection, including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. All comments will become a matter of public record.

Dated at Washington, DC, on September 19, 2021.

Federal Deposit Insurance Corporation

James P. Sheesley,

Assistant Executive Secretary.

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